FINANCING EDUCATION OPTIONS FOR STRUGGLING STUDENTS AND OUT-OF-SCHOOL YOUTH IN MICHIGAN: REPORT AND RECOMMENDATIONS FOR STATE POLICY

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INTRODUCTION

States are increasingly involved in efforts to improve high schools and raise graduation rates with the knowledge that in the new economy, the goal for the American high school must be to graduate the overwhelming majority of students with proficient skills to earn a living wage in the 21st century. The unfortunate reality is that nearly one-third of our nation's youth do not complete high school, and students of color have little more than a 50% chance of earning a high school diploma.[1,2] Graduation rates in some communities are even lower. Lacking an adequate education, many young people will lack the basic skills necessary for even minimum-wage jobs. Fully five million (about 15%) 16- to 24-year-olds have left school and are unemployed.[3]

In order to increase graduation rates, many school districts are striving to offer a "portfolio" of secondary school options—all having high standards, but customized to meet the needs of a diverse population. "Alternative" education options, offered by public school districts and community-based organizations provide students who are struggling in or have left a traditional high school environment with the opportunity to complete high school or its equivalent, obtaining the necessary credentials to enter employment and/or postsecondary education and training. Such schools and programs typically offer innovative programming, a low student-to-teacher ratio, extensive student supports, and schedule flexibility. They are often career-based, providing students internship and work experiences as part of their high school program. These schools and programs provide many students who are struggling in traditional high schools the supports needed to stay on track to graduation. Many also offer another chance to students who have previously fallen off track, offering a different educational environment and program from the one that failed these students in the past. Funding and policy need to be re-aligned to support this reinvention of the American high school and the expansion of education options.

This report is the result of a study of existing education finance policy and programming in the state of Michigan. Research was conducted in the spring and summer of 2008 by the National Youth Employment Coalition (NYEC) with funding from the Charles Stewart Mott Foundation.

Based on NYEC's previous work on state financing of alternative education programs and schools, as well as its involvement in the Mott Foundation's work with four Michigan cities to improve outreach to disconnected youth, the Foundation requested that NYEC prepare a report on state finance policy to support the expansion of education options for disconnected youth in Michigan. NYEC came to this project with extensive knowledge of state finance mechanisms for alternative education programs and had previously documented state finance policy in 11 other states in two publications, *Financing Alternative Education: Profiles and Policy* (2005) and

Expanding Options: State Financing of Education Pathways for Struggling Students and Out-of-School Youth. (2008).

In focusing on how Michigan state policies affect the financing of education options, NYEC seeks to enable and encourage Michigan and its communities to develop policies that facilitate the creation of viable education options and multiple pathways to a high school diploma for struggling students at risk of dropping out and for those who have already left school. The report offers specific recommendations for improving the policy climate for the expansion of education options, describing policies and initiatives in other states that Michigan might consider.

Ultimately, increasing secondary education options targeted to struggling students and out-of-school youth can help Michigan and its school districts re-evaluate their secondary education offerings and begin to create more options for all students. Indeed, the success of alternative schools and programs could potentially lead to systems of expanded education options for all students in Michigan.

SECONDARY EDUCATION REFORM IN MICHIGAN

In 2007-2008, Michigan had 552 local school districts, 57 intermediate school districts, 839 public schools, and 230 public school academies (charter schools), serving 1.65 million students statewide.[4] Beginning with the class of 2007, Michigan began reporting the 4-year cohort graduation rate using the formula recommended by the National Governors Association.[5] The 2007 cohort included 140,353 students, of which 75.45% graduated. The remaining students were reported either as dropouts (15.9%), off-track to graduate within four years (8.56%), or non-graduating completers (earning a GED, 0.89%).[*]

In 2008, Michigan became one of ten states to participate in the U.S. Department of Education Growth Model pilot for measuring school performance for purposes of Adequate Yearly Progress (AYP) under No Child Left Behind (NCLB), which is expected to result in a limited number of schools previously not meeting AYP determinations ultimately achieving AYP.[6] The Michigan Department of Education identifies the key features of Michigan's growth model as:

- Using performance-level change (first reported for fall 2007) to track students performance from year to year;
- Measuring whether students who are not yet proficient are "on track" to becoming proficient within three years; and
- Determining that if students are "on track" toward becoming proficient within three years, those students will count toward schools making AYP even if they are not yet proficient.

While Michigan is pleased to be approved for participation in the pilot, the growth model will only apply to students in grades 4 through 8 and will not reflect educational progress made by secondary students who may not be reaching required proficiency levels on state assessments. The Michigan Department of Education (MDE) has twice requested the ability to report 5- and 6-year cohort graduation rates to the U.S. Department of Education for determination of AYP, but each time the request has been denied.[7] This is a source of frustration for some educators

[*] Due to rounding percentages do not add up to 100%.

who recognize this inflexibility as a disincentive for providing alternative education services to students who often need more than 4 years to be successful in completing high school and has resulted in some communities divesting themselves of alternative education offerings.[8,9]

While Michigan's schools are characterized by strong local control, education funding comes primarily from the state. The primary purpose of the **State School Aid Act**, renewed and revised yearly by the state legislature, is to calculate and appropriate funding for public education in Michigan.[10] The **Revised School Code** mandates school governance policy, particular educational activities, and regulates the operations of local and intermediate school districts as well as charter schools.

There are 57 regional educational service agencies, called intermediate school districts (ISDs), in Michigan's education system. In 1962, Public Act 190 created ISDs to make the best use of district resources that are normally too expensive or specialized for any single district to provide. ISDs are structured as separate taxing units which coordinate programs and services between and among the local school districts for their jurisdiction.[11,12] Intermediate school districts were created from the state's existing 83 county school districts and each ISD is responsible for providing a variety of administrative and instructional services to its local school districts. Typically, a board of education for an ISD is chosen by the board members from every local school district located within its jurisdiction. In 1989, some ISDs were renamed as Regional Educational Service Agencies, Educational Service Districts, or Educational Service Agencies to more accurately reflect their mission and purpose.

Michigan has been taking steps toward preparing its students with the skills, knowledge, and learning opportunities essential to succeed in college and the 21st Century global economy. In 1990, Public Act 25 required Michigan schools and districts to develop a three- to five-year strategic plan for school improvement. Since this plan was an essential framework for establishing goals and objectives, the MDE collaborated with education and school improvement specialists to create a comprehensive framework based on current research and best practices to be utilized as a resource to guide teaching for learning, resource allocation, staff development, data management and assessment. The result of the group's collaborative efforts is the creation of the ***Michigan School Improvement Framework***, which allows for personalization in developing, supporting, and enhancing school improvement processes.[13]

While its primary influence has been on education finance, *Proposal A of 1994* expanded the horizon for alternative education opportunities in Michigan and coordinated efforts among local school districts through the institution of ISDs. Statewide reform has granted students access to new educational opportunities by sanctioning public school academies (also known in the state as charter schools or PSAs) and permitting students to attend their schools of choice.[†] Furthermore, cooperative education agreements are coordinated among ISDs and consist of alternative education programs, special education programs, career and technical education programs, and nonessential electives for students who attend nonpublic schools. In addition, ISDs provide accounting and auditing services to districts.

[†] The Schools of Choice provision is in Section 105 and 105c of the State School Aid Act.

Cherry Commission

The Lieutenant Governor's Commission on Higher Education and Economic Growth, known as the **Cherry Commission,** established in 2004 by the governor, was charged with identifying ways to double the percentage of Michigan residents who earn postsecondary degrees or other credentials within a decade.[14] The Commission made 19 recommendations, currently in various phases of implementation. Of these recommendations, several related specifically to secondary education including:

- *Setting high expectations for high school students through rigorous standards and curriculum*. Legislation for the Michigan Merit Curriculum, described in more detail below, was authorized in 2006.
- *Implementing new strategies for high school success*. This has been partially implemented through a growing number of restructured high school models that have been established or are under development. The 21st Century Schools Fund, described below, is one statewide effort to replace large, impersonal high schools with small, personalized and relevant high schools.
- *Creating community compacts for educational attainment*. This has been partially implemented. Many community-driven efforts have developed to engage the business, labor, and education communities in compacts to increase local postsecondary participation rates by 5% each year for the next decade. "Kalamazoo Promise" is a prominent example, whereby scholarships are awarded to any Kalamazoo Public School student to attend any state university or community college.[15] This initiative has been quite successful and other Michigan communities are hoping to replicate it.[16]
- *Make higher education universal.* Various strategies have implemented including the Michigan Promise Scholarship, which makes college more affordable by providing up to $4,000 to high school graduates for successfully completing two years of postsecondary education beginning with the high school graduating class of 2007. All students who took the state assessment test (Michigan Educational Assessment Program (MEAP) for the Class of 2007 and Michigan Merit Exam (MME) for the Classes of 2008 and beyond) have the opportunity to receive up to $4,000 if they meet all eligibility requirements. Students who receive qualifying scores (Level II or above) in each of the required components on the test are eligible to receive up to half of their scholarship in the first two years (in installments of $1,000 in the first year and $1,000 in the second year of enrollment).
- *Expanding opportunities for "early college" achievement*. This has been partially implemented. The Commission issued specific recommendations in June 2006.[17] According to the MDE there are early college opportunities available though Lake Michigan College, currently working with 32 LEAs in two ISDs, as well as three Middle College high schools. Eight additional schools were awarded Middle College High School Health partnership planning grants for implementation in the 2007-2008 school year.
- *Improving transfer process and awarding dual degrees*. This has been partially implemented with several Milestone Compact, Dual Degree programs established between two- and four-year postsecondary institutions.
- *Developing a lifelong education tracking system*. Implementation of this recommendation is underway. An interagency workgroup is developing a system under the Department of

Management and Budget/Center for Educational Performance and Information Leadership (CEPI).[‡]

Michigan Merit Curriculum

Stemming from one of the Cherry Commission's recommendations, the legislature passed the Michigan Merit Curriculum (MMC) on April 20, 2006. The MMC restructures Michigan's graduation requirements from a state with the lowest requirements into one with some of the most rigorous standards found in the United States. Starting with the Class of 2011, new requirements demand that students have 16 credits for graduation. The requirements are composed of 4 credits of both Mathematics and English Language Arts; 3 credits of Science; 3 credits of Social Studies; 1 credit of Physical Education and Health; 1 credit of Visual, Performing and Applied Arts; and beginning with the Class of 2016, 2 credits of a World Language or an equivalent learning experience in grades K-12.[18] Additionally, Michigan is the first state to make an online learning experience a mandatory graduation requirement for high school students.

To provide a common understanding of what students should know and be able to do by the end of each credit, Michigan developed High School Content Expectations and Course/Credit Expectations. These expectations provide the guidance necessary for educators to fully align their classroom curriculum. Furthermore, credit requirements are no longer solely based on the Carnegie Unit or time students spend in the classroom studying a particular subject. Instead, schools are allowed to award credits based on demonstrated competency.[§, 19]

The new requirements allow flexibility in how the graduation requirements may be fulfilled. School days no longer need to be organized into fixed time periods or school calendars, allowing teachers to allot more time to complex subjects and providing more opportunity for learning to occur in out-of-school environments. For instance, credits for courses mandated by the MMC are not fixed to the traditional classroom context. In fact, teachers can use various learning environments to deliver curriculum content expectations that allow for "personalization, acceleration, and innovation in an atmosphere of high expectations and strong support for students." The law also allows all students to modify a social studies, Physical and Health Education or Visual, Performing and Applied Arts credit to take additional credits in English Language Arts, Math, Science, or World Languages. In addition, it authorizes alternative instructional delivery and opportunities for students to satisfy credit requirements through:

- Alternative course work
- Humanities course sequences, career and technology courses
- Industrial technology or vocational education courses,[20]
- Independent teacher-guided study,
- Testing out of a course through a competency test,
- Dual Enrollment,

[‡] See http://www.cherrycommission.org/Implementation.htm for details about implementation status for each of the 19 recommendations.

[§] Public Acts 123 and 124 added Sections 1278a and 1278b to Michigan's Revised School Code that describes the new high school graduation requirements under the Michigan Merit Standard.

- Advanced Placement courses, or
- International Baccalaureate or other "early college" experiences or programs.[21]

As a result of these substantial changes, some schools and districts have struggled to simultaneously address the challenges of meeting the MMC requirements while finding some flexibility in implementation without being perceived as compromising the rigor of the requirements.[22] Some state legislators are working to pass legislation that would clarify or allow for increased flexibility.[23]

For example, parents of a student with an IEP may request a Personal Curriculum, which allows districts to modify any MMC content expectations for that student consistent with his or her learning ability, education and career goals, and district proficiency requirements. If a student has a learning disability that prevents him or her from acquiring 15 of the 50 Algebra I expectations, and those 15 are not required for the student's career path, then the district can base proficiency on the remaining 35 expectations.

While all students are allowed to take Algebra II over the course of two years and earn two credits through a Personal Curriculum, the legislature is considering allowing this to occur without this requirement, recognizing that not all students learn at the same rate.

EDUCATION OPTIONS IN MICHIGAN

Schools of Choice

The Schools of Choice provisions, established under Section 105 and 105c of the State School Aid Act, permit students to attend public schools located within the same intermediate school district (ISD) boundary or in school districts located in adjacent ISDs.[24] Schools can count enrolling nonresident students in their pupil membership without obtaining prior approval from the students' districts of residence. School districts that permit nonresident students to enroll receive the lesser of either their own foundation allowance (the per-pupil funding that is allocated to each district to pay for school operations) or the foundation allowance of the student's district of residence. Finally, districts may not charge nonresident students tuition under Schools of Choice or cooperative education programs. When a school district participates in Schools of Choice, it must:

- publish the grades, schools, and special programs for which nonresident students may apply;
- provide notice to the general public that they are a Schools of Choice participant, and the specified time periods nonresidents students may apply;
- determine the number of positions available for nonresident students;
- follow specific application procedures and timelines required by state legislation;
- notify the parents of the students who will be offered enrollment positions at their school of choice.

If there are fewer applicants than there are available positions for nonresident students, then the district must accept all eligible applicants. If there are more applicants than positions available, then the district must accept eligible students in a prescribed order. First, students must be

accepted who reside in the same household as a student who was already enrolled in the Schools of Choice district the immediately preceeding school year or semester. Then, a random draw system is used to choose the remaining nonresident applicants, and is also used to establish a waiting list. Under no circumstance may a school district refuse enrollment based on discrimination, except in the case when a nonresident applicant has been expelled or suspended in the two years preceding his or her application.

Cooperative Education Programs

In Michigan, schools may participate in cooperative eduation programs, also known as cooperative agreement programs, with other local or intermediate school districts that permit enrollment of each other's resident students. Cooperative education programs are not governed under the Schools of Choice provision, but are characterized as programs "aimed at a specific group of pupils with particular goals in mind" and "are K-12 programs that are economically more feasible through group effort; and therefore, may be offered to a wider range of pupils than an individual district could financially provide."[25]

Cooperative agreements are voluntary arrangements made between and among districts in order to provide special educational programs for specific cohorts within the coordinating districts. Examples may include alternative education K-12, special education, career and technical education, or secondary education for pupils from a non-K-12 district. For instance, a district may enroll nonpublic school students for nonessential elective courses such as computer, band, art, physical education, career and technical education, driver's education, and advanced placement level courses. Generally, the agreement consists of the program type, the class schedule for each district's pupils, the cost of participating in the program, and the means of transportation to the class. The agreement is approved annually by all affected school districts and, unless otherwise specified, the agreement allows the educating district to count the nonresident pupil in its membership. Therefore, the educating district receives the foundation allowance of the student's district of residence when a student is enrolled under a cooperative education program.

Alternative Education

Alternative education programs are one type of cooperative education programs. According to the MDE, Michigan's working definition of alternative education is, "a separate program within a K-12 public school district or public school academy established to serve and provide youth with a choice or option whose needs are not being met in the traditional school setting."[26] Michigan's alternative education programs generally have flexible schedules, smaller teacher-to-student ratios, and modified curricula and include additional services such as transportation, childcare, and counseling. MDE has created recently an Alternative Education Workgroup to update the definition of alternative education.[27]

Alternative schools and programs are characterized by the following: the students attend by choice, the school or program is responsive to unmet local needs, and the student body is reflective of the community's socio-economic and racial mix.[28] Students in Michigan's alternative education programs typically fall into one or more of the following categories:

- Have special needs or learning disabilities
- Lack sufficient credit to graduate with their class
- Have been expelled from school under the mandatory expulsion provisions or district policy[**]
- Are referred by the court system
- Are pregnant or already a parent
- Are in-danger of dropping out or previously dropped out;
- Would be more academically successful in a non-traditional setting.[29]

Alternative schools are funded under the same state foundation allowance as traditional schools and do not receive additional per-pupil funding or grants as alternative schools in some other states do.[30] Generally, the district providing the alternative education program will receive the resident district's foundation allowance. In order to be eligible, a general education pupil must be younger than 20 years old by September 1 of the current school year, and not yet have obtained a high school diploma or a GED certificate. However, a student with a disability who requires special education and services may enroll in alternative education if s/he is under 26 years of age by September 1 for the current school year.[31] Furthermore, a pupil must be 16 years of age or older on September 1 for the current school year if attending a program where there are adult education participants enrolled.

Alternative schools are held to the same standards as their traditional K-12 counterparts. While the Michigan Merit Curriculum has been highly praised, there have been some struggles among educators to implement the higher standards without increased funding to support students who need additional assistance in meeting the rigorous requirements. This is especially true among alternative schools who often attempt to serve the most hard-to-serve students with fewer resources than traditional public schools. When traditional public schools build a new facility or upgrade textbooks and teaching materials, these outdated resources are often transferred to alternative schools.[32] Because alternative schools do not receive supplemental funds they must use more of their foundation allowance for capital improvements than schools with newer, state-of-the-art facilities. Out of necessity, many alternative schools have become creative by establishing relationships with local non-profits to provide students access to gymnasiums or with local businesses to provide hands-on, career-related educational experiences.

The Alternative Education Workgroup has begun identifying some barriers, issues, concerns and questions related to the provision of alternative education in Michigan.[33] One concern is that AYP calculations are punitive to districts serving alternative education students, especially when the four-year graduation rate does not reflect the number of students who may graduate in 5 or 6 years. Other concerns relate to the Michigan Merit Curriculum, including the supports needed to enable students to pass Algebra II, the use of alternative assessments, and ensuring the Curriculum's relevance the alternative education students.

[**] Mandatory expulsion provisions are found in sections 1311 and 1311a of the Revised School Code

Charter Schools

Public Act 362 of 1993 authorized Public School Academies (PSAs), what Michigan calls its charter schools, and incorporated the laws that govern the establishment and operation of PSA entities. [34] Michigan has three types of PSAs:

1) Public School Academies (PSAs) chartered under Part 6A of the Revised School Code;
2) Urban High School Academies (UHSAs) chartered under part 6C of the Revised School Code; and
3) Strict Discipline Academies (SDAs) chartered under the Public Act 23 of 1999 to serve suspended, expelled or incarcerated young people. [35]

PSAs are without geographical boundaries, are state-supported public schools, and

> may include grades K-12 or any combination of those grades. They may not charge tuition, and must serve anyone who applies to attend; that is they may not screen out students based on race, religion, sex, or test scores. If the number of students applying exceeds the school's enrollment capacity, applicants are randomly selected for admission. Charter teachers must be certified and highly qualified; charter students are assessed annually as part of the Michigan Education Assessment Program (MEAP). Public school academies cannot be religiously affiliated. [36, 37]

Any parent, group, or entity may form a public school academy in Michigan, but an "authorizing body" must issue a charter to the school in order for it to become official. An authorizing body is defined as one of the following entities: any public university, community college, K-12 local education agency, or intermediate school district. However, not all authorizing bodies take advantage of this opportunity. While there is a cap of 150 PSAs that public universities may authorize, there are no caps imposed on any other authorizing bodies other than the limitation that restricts their authorizing activity to their own geographic boundaries. Since 1999, the cap on university authorizers has been reached. Thus, any new university-authorized PSAs have only opened when existing PSAs close.

PSAs in Michigan are subject to virtually all the same statues, regulations, and reporting requirements as their traditional K-12 counterparts. For example, a PSA must adopt a model core curriculum as is required of a traditional public school.[38] There is little difference in the legal framework of the three types of public school academies, but each type is authorized under a separate section of Michigan's Revised School Code. The primary difference between the types of Michigan public school academies is the kind of student populations they each serve. For instance, SDAs are only authorized to serve students who have been expelled, suspended, or court ordered to attend the school. UHSAs were created specifically for the student population within the Detroit region. It is important to note that even though some PSAs may appear similar to alternative education programs, they do not fall into the state's alternative education definition and are treated as separate entities.

Urban High School Academies

According to the MDE Office of School Improvement, UHSAs were created in 2003 specifically for the student population in the Detroit region when a local philanthropist told the Michigan government he would pay for 15 new charter high schools in Detroit.[39] Since universities have a cap on the number of PSAs they can authorize, Part 6c was added to the Michigan Revised School Code to allow universities to charter an additional fifteen K-12 feeder systems outside of the Michigan charter cap, but only within the Detroit region.[40] Only nonprofit governance boards can govern these additional charters and a clause in the code declares that authorizing bodies shall give priority to applicants with at least fifty million dollars in assets.[41]

Compared to other types of PSAs that have only one board for a K-12 feeder system, a single UHSA governing board can hold multiple charters. The fifteen UHSAs' singular governance system was derived from the philanthropist's vision of an "ecology of schools," in which a cluster of schools shares a 90/90 vision, all under the same governance. The 90/90 vision requires schools to have a 90% four-year graduation rate and a 90% enrollment in postsecondary education opportunities. Currently, Grand Valley State University is the only authorizing body to have issued a UHSA contract.

Since Urban High School Academies are a relatively new concept, currently there is very little published about this initiative. One UHSA, University Prep Science and Math, is a new school that opened for the FY 2008-2009 school year. Another UHSA, University Preparatory Academy, was a former PSA chartered under 6a of the Revised School code, but has converted to a UHSA and now is governed as such. A third UHSA, Henry Ford Academy of Creative Studies, is a new school that will open for the FY 2009-2010 school year. The sponsoring foundation is constructing a building for each Urban High School Academy and renting the structure to the UHSA for a nominal fee. This is the foundation's effort to "level the playing field" for UHSAs compared to traditional public schools that do not have to cover capital expenses with their operating budgets, are able to levy taxes to pay for capital expenses, and thus use their foundation allowance to pay for operating expenses exclusively.

Strict Discipline Academies

Strict Discipline Academies provide students expelled from traditional public schools with a place to learn.[42] Legislation established SDAs in 1999 to provide Michigan educators with an option for handling students whose conduct threatened the safety of staff and other students attending their schools. Under Michigan's "zero tolerance" policy, schools are required to expel students for specific offenses.[43] Once a student has been permanently expelled from the district, that student is expelled from *all* public school districts in Michigan.[44] SDAs are intended to be a solution to maintain and enhance school safety, while constructively dealing with expelled students and providing them with a "last chance" opportunity for academic achievement. SDAs teach traditional education courses in a controlled environment, which is characterized by required metal detector checks found at school entrances, uniforms, and firm adherence to behavior policies.[45] Unless ordered by the court, expelled students decide whether they will attend an SDA or be placed in an alternative education program or provided with homebound services. Whatever a student's decision, the prorated foundation allowance is transferred from

the expelling school to the recipient school.[46] However, in practice, few if any students elect to attend an SDA and most students who attend are adjudicated youth.[47] As of April 2008, Michigan had chartered 5 SDAs operating 14 sites with most serving grades 5 to 12.[48]

Dual Enrollment

In 1996, the Michigan State Legislature passed the Postsecondary Enrollment Options Act, also known as Dual Enrollment, in order to modify and expand postsecondary opportunities for high school students.[49] Dual Enrollment enables eligible students to enroll in college courses prior to graduating from high school and with courses paid for by the student's school district or PSA. The legislation also mandates all school systems to inform students in the eighth grade and higher about college level and Advance Placement courses.[50] School districts are required to pay for the enrolled student with the lesser of either the actual tuition cost including mandatory course, materials, and registration fees; or, the state proportion of the student's foundation allowance after adjusting for the proportion of the school year attended in the postsecondary institution.[51] However, courses already offered by high schools or academies are ineligible for reimbursement from the student's resident school district, unless the student cannot access the course due to scheduling conflict. [52] To be eligible to participate in Dual Enrollment options a student must be a high school junior or senior; enrolled in at least one public high school course; and have achieved a qualifying score in all subject areas of the Michigan Merit Exam, or other state-approved readiness assessment, or in the subject area of the eligible course a student would like to take. Eligible students may take courses in subjects for which there are no state assessments, such as history, political science, psychology, computer science or foreign language. Additional options are available through Career and Technical Education programs.

Students who are not eligible for Dual Enrollment paid for by the state may still enroll in postsecondary courses that can count toward high school graduation requirements; however, students or their parents/guardians are responsible for course and materials costs. Other ways students can earn college credit while in high school include:

- *Advanced Placement* (AP)
- *International Baccalaureate* (IB)
- *Direct Credit* – a collaborative partnership between high schools and postsecondary institutions where students have access to college information and support and take college level classes, which are usually offered on the high school campus
- *Early and Middle College High Schools*
- *Summer College* – can be a variety of academic, arts, and sports programs offered at colleges during the summer, some of which now offer credit
- *CTE Articulated Programs/Tech Prep*
- *Online college credit courses*[53]

Adult Education

Michigan has over 250 adult education programs throughout the state that serve more than 80,000 students each year.[54] The programs operate in approximately 50% of the local districts with some services being offered through ISDs, community colleges, and nonprofit organizations. In 2008-2009, adult education programs are compensated at a rate of $2,850 per full-time student for 450 hours of instruction, but this amount can be prorated for programs offering less than 450 hours of instruction.[55] The programs serve students as young as age 16, however the average age of adult education students is 30 and detailed eligibility requirements differ by type of program: high school completion, GED test preparation, adult literacy, English as a second language, and workforce training. Adult education programs can only receive state funding for students who have not yet obtained a high school diploma or GED for students age 20 and older or, for students age 16 through 20, if they have been permanently expelled from school and have no appropriate alternative education program available through their district of residence. Students younger than age 18 must obtain a waiver signed by the superintendent or a court order indicating that taking the GED exam is in the best interests of the student. Students age 18 to 19 may enroll in GED preparation or adult education course, but these programs are not able to draw on state dollars to provide services to these students until age 20. The conundrum, then, is how to educate students age 16 to 19 who may have dropped out of school or are significantly behind in the number of high school credits earned if the public K-12 schools do not wish to enroll them due to unintended disincentives for the district (e.g. negative effects on AYP, etc.).

DROPOUT PREVENTION & RECOVERY EFFORTS IN MICHIGAN

Michigan Shared Youth Vision Partnership

The Michigan Shared Youth Vision Partnership (MSYVP) grew out of recommendations made in the 2003 White House Task Force Report on Disadvantaged Youth.[56] Established in October 2004, its mission is to "build and maintain an infrastructure through collaborative networks that guide economic services and connecting activities for successful transition into responsible adult roles." Partners include representatives from a range of youth serving and youth advocacy organizations with the Michigan Department of Labor & Economic Growth, Bureau of Workforce Transformation serving as the lead agency for MSYVP. MSYVP has begun the work of integrating state and local systems by mapping the state's dropout prevention and recovery resources to determine overlapping or intersecting areas as well as gaps in resources or services. MSYVP representatives meet monthly and are beginning to look at state policies that may act as barriers to youth accessing services. The MSYVP has drafted 17 recommended areas for action to improve systems thus far.[57] Some of these recommendations include:

- developing centralized access to dropout prevention and recovery services options (e.g. searchable Web site),
- providing programs with access to student data for youth at risk of dropping out,
- exploring the potential to leverage resources for an intensive, multi-agency pilot providing wraparound services,

- promoting policies to encourage schools to use a dropout prevention and recovery clearinghouse if created,
- creating mechanisms for early identification and referral for youth who could benefit from dropout prevention and recovery services, and
- mapping resources to fund these initiatives.

Unlike some other task forces or partnerships that are formally sanctioned and funded by the state, the MSYVP currently operates without designated funding and therefore has no staff support exclusively dedicated to the partnership.[58] While the U.S. Department of Labor provides technical assistance to the MSYVP, the partners operate via in-kind staff time. As the partners explore available financial resources to support services for youth there may be opportunity to access some funding to support at least one full-time staff person to support the work of the MSYVP and enhance the partnership's ability to achieve the goals and objectives outlined in their strategic plan.

Compulsory Education Age

Michigan Governor Granholm has diligently promoted reform in the public education system. Governor Granholm has asked the State Legislature numerous times to increase the state's legal dropout age from 16 to 18 years old. According to the Governor the current law, adopted in 1895 when most jobs required little additional education, is outdated for the demands of a 21st Century workforce and is part of a broader initiative to prepare students for the demand for new high tech jobs.[59] On January 10, 2007, a Senate bill, which would increase the current dropout age to 18 years of age, was referred to Michigan's Committee on Education. To date, the Senate has yet to take action on the proposed bill.[60]

Mandatory Re-enrollment for dropouts

While Michigan's compulsory age of attendance for school is 16, students may re-enroll into high school after they have dropped out as long as they are under 20 years of age on September 1 of the current school year and receive district approval.[61, 62] However, alternative education programs and other public high schools may, at their option, enroll students aged 20 or older.[63]

Michigan Education Association Forums

In 2008, the Michigan Education Association is hosting 10 hearings across the state, as well as online testimony to gather input from educators, parents, students and dropouts regarding their experiences, success stories for keeping students in school until graduation, and suggestions for solutions to Michigan's dropout dilemma.[64] The Michigan Education Association plans to share testimony with the governor and legislature at the Michigan Dropout Prevention Leadership Summit on October 20, 2008 to influence the development of high-quality education policy. Feedback thus far has included criticism of the state's new core curriculum requirements of four years of math and science as being a "one-size-fits-all" approach that is unrealistic for all students and a call for more flexibility for students.[65]

Interdepartmental Task Force on Services to At-Risk Youth Transitioning to Adulthood

The Michigan legislature mandated the Michigan Department of Human Services (DHS) convene a task force to determine the extent of coordination and cooperation of current programs and services, "develop a plan to ensure that all current resources are effectively organized and available," and recommend actions to enhance services.[66] The task force, established in October 2005, focused on youth transitioning out of foster care and issued findings and recommendations in September 2006 in a report to the legislature. Among the task force's recommendations were to:

- Automatically refer foster youth to Michigan Works! Agencies (MWA) at the age of 14. MWAs operate Workforce Investment Act youth programs and can assist foster youth in developing job skills and provide educational planning that lead to career opportunities.
- Expand Student Advocacy Center models to support students to successfully complete high school through individual education planning, links to tutoring, and establishing advocates to ensure foster youth access to services.

In part due to the July 2008 settlement of a 2006 lawsuit against DHS, Michigan will begin the automatic referrals of foster youth to MWA as recommended by the task force by November 15, 2008.[67] The settlement will also enable DHS to provide 14 education planners throughout the state to help support youth in achieving secondary and postsecondary goals, including pursuing financial aid, and should be implemented by October 2009. DHS also hopes to expand the Washtenaw County's Student Advocacy Center[††] throughout the state if funding can be identified to support this. In addition, the task force recommendations have also resulted in DHS creating a "Foster Youth In Transition" Web site to serve as a resource to current and former foster youth, with information about high school completion, adult education, youth training programs, and postsecondary education including financial aid.[68]

One D: Transforming Regional Detroit

One D: Transforming Regional Detroit is a collaborative group conceived by six major civic organizations in order to transform Detroit and its surrounding region. The collaboration was created to align the private, public, and not-for-profit sectors toward common priorities, which would advance progress and growth within the region. The alliance believes that previous efforts to necessitate significant region-wide transformations failed because they lacked a shared vision based on partnerships and sufficient collaboration between organizations. Thus, Southeast Michigan community organizations unified for the One D partnership in order to align region-wide objectives and foster a cooperative environment, who would work together to achieve measurable goals in five priority areas: economic prosperity, educational preparedness, regional transit, race relations, and quality of life.[69]

According to a recent study released by America's Promise Alliance, Detroit has the lowest graduation rate of the top fifty most populous cities in the United States. The report, *Cities in*

[††] The Washtenaw County Student Advocacy Center was established in 1975 to provide free, non-legal advocacy to students and families regarding effective school policies and practices, assist families in obtaining sufficient educational resources, ensure due process for students, reduce exclusion from public schools, and challenge undue suspensions and expulsions.

Crisis, highlights that only 25% of the students graduate from Detroit's public high schools.[70] One D dedicated its support to resolving this issue and immediately held a "Dropout Prevention Summit and Retreat" in Detroit to generate an extensive and methodical response to the dropout issue devastating their region. The summit was hosted by One D partners New Detroit, the Detroit Regional Chamber, and the United Way in collaboration with the America's Promise Alliance, Skillman Foundation, and Detroit Parent Network.[71] The thirty-five high schools in Southeast Michigan that Johns Hopkins University identified as "dropout factories" were invited to attend the summit with a team of ten essential players who would be able to lead the turnaround efforts in their schools. [‡‡] School district and community leaders from metropolitan cities shared best practices for improving student achievement and local school teams began planning turnaround solutions for their individual schools that were consistent with the Governor's notion that Michigan must prepare students for college and the 21st Century global economy.[§§] Local business and foundation leaders were also invited to the Summit to help brainstorm on ideas that could be applicable to the region's issues.

Participants heard from representatives from Boston, Chicago, and Miami about how they have successfully reformed their own urban educational systems in order to improve scholastic achievement, including an expert from Mass Insight, a nonprofit research firm who has analyzed the efforts of Boston, Chicago, and New York to create a *Turnaround Framework.* One D is using this Turnaround Framework to guide effort to improve Detroit students' educational success. The Turnaround Framework emphasizes a combination of factors essential to change in order for Michigan's students to attain greater scholastic achievement. The areas in dire need of reform are known as the "3 C's" – change conditions, increase capacity, and create clusters of support.[72]

The first "C" entails *changing conditions* within local school districts. Local school leaders, mainly principals, must have more control over their people, budget, and programs within their schools. In return, they must be more accountable for their students' performance. *Increasing capacity* concerns partnerships with educational intermediaries who assist in planning and executing high school reforms focused on improving student achievements. One D is advocating for collaborating with education intermediaries with proven records of accomplishment to be recruited to the region to help with their turnaround mission. *Creating clusters* of support emphasizes that actions cannot occur one school at a time, but reform efforts need to occur district wide in clusters of schools. Then, clusters of schools can work together in a collaborative and competitive effort in order to discover best practices through evaluating what does and does not work within their school community. In addition, region-wide reforms push excellence to become the norm for every school. The cluster approach is designed to produce smaller schools with personalized classes, and a safer environment, which foster a more productive atmosphere for both teachers and students.

[‡‡] Michigan has 76 total schools identified as "dropout factories" by virtue of the fact that the three year average promoting power ratio is 60% or less. The full list of schools nationwide can be found at http://web.jhu.edu/CSOS/images/ListofSchoolswithaWeakThreeYearAveragePromotingPowerRatio.pdf

[§§] *Schools of the 21st Century Fund* was a proposal by Governor Granholm, which listed necessary actions to prepare Michigan's students for college or the workforce of the 21st Century and is described in more detail later.

STATE FUNDING FOR EDUCATION IN MICHIGAN

The ***State School Aid Fund*** is one of three major divisions in Michigan's state budget. The School Aid Fund is dedicated to the finance of public K-12 education, and approximately 33%, or $13.4 billion, of Michigan's total state budget is allocated to school aid. The Office of State Aid and School Finance is solely responsible for distributing appropriations to local school districts via guaranteed foundation allowance and categorical grants.[73] The state apportions additional monies to finance the Center for Education Performance and Information, Department of Labor and Economic Growth, and other entities implementing grants relating to K-12 educational programs and services.[74] Per-pupil expenditures for the 2006-2007 school year averaged $9,177 in Michigan, ranging from $6,292 to $31,876.[***] [75]

School operating costs are supported by a variety of revenue sources, primarily state taxes rather than the traditional source of local property taxes collected as is the case in many other states. The State School Aid Fund is comprised of taxes collected from the following categories:

- 73.3% of total Sales Tax
- 33% of Use Tax,
- 26% of gross Income Tax,
- 100% of the State Education Tax,
- 41% of the total amount of Cigarette Tax collected, and
- 100% of all lottery proceeds after the deduction of lottery winnings and administrative costs.[76]

Through the Schools of Choice provision and cooperative education agreements, there are mechanisms for education funds to follow a student to schools other than their home school or district of residence, such as alternative schools, community colleges offering dual enrollment, or schools run by an ISD. Likewise, charter schools receive the full foundation allowance for their enrolled students. Mechanisms are in place for schools to be able to contract out educational programming to external providers, however this process can be complex and time consuming. One superintendent reported working for over a year to create a contract between his district alternative school and an external provider.

Michigan Education Financing Reform

Two major pieces of legislation are at the heart of the state's education finance reform: *The Headlee Amendment* and *Proposal A of 1994*. In 1978, Michigan voters amended the State Constitution with the *Headlee Amendment,* which declared that any new mandates that increase the level of services or activities after the 1978 base year's level, and are required by Michigan Statute, must also be financed by the state.[†††] Furthermore, Michigan cannot provide any less funding for required services than the proportion of state funding provided at the time of the amendment's enactment, unless the mandate is repealed. In the Michigan Supreme Court case *Durant vs. State of Michigan*, several school districts contended Michigan had violated the Headlee Amendment by failing to pay its percentage of costs associated with state mandated

[***] These figures are for districts with 100 or more students.

[†††] For actual context, see MCL Const. 9.6, 9.25-9.34.

activities.[77] The school districts accused the state of providing insufficient funding for school lunch and supplemental milk programs, special education, and special education transportation.[78]

In 1997, the Michigan Supreme Court upheld the Headlee Amendment declaring Michigan had indeed violated the amendment as it pertained to law requirements concerning the proportional funding level of mandated state programs. The decision had two major impacts. First, the Court issued a settlement based on amount of underfunding that had occurred at the time, ordering the State to pay $212 million to the original 84 plaintiffs; the legislature then negotiated payment for the remaining non-plaintiffs, who are still currently being paid this settlement. Second, the Court affirmed Michigan had to maintain the funding percentage requirements established by the Headlee Amendment unless the state mandates were modified.

Perhaps the most significant piece of state legislation related to school finance reform was *Proposal A of 1994*.[‡‡‡] The ratification of *Proposal A* by Michigan voters changed public school financing permanently by redirecting state taxes to finance a school district's operating costs in place of traditional, local property taxes. In order to finance the School Aid Fund, *Proposal A* increased the state sales tax by two percentage points and established a new state education tax (SET), a statewide tax levied locally on properties but remitted to the State School Aid Fund. The outcome of the new legislation was not only a significant revamping of school financing, but the establishment of educational reforms comprised of a per-pupil foundation allowance, promises of greater equity among local school districts, greater school accountability, and lower property taxes for Michigan constituents.[79]

Foundation Allowance

At the heart of Michigan's *Proposal A* was the conception of the "foundation allowance," which became the basic mechanism for distributing funding to local school districts, based on the number of students enrolled within a district, in order to finance operating costs equitably among school districts. Every district's initial foundation allowance was calculated by summing the total amount of revenue collected per-pupil from local property tax revenue, general state aid, and select categorical grants received prior to the proposal's implementation in FY 1993-94. Then, the total amount of revenue was divided by the number of pupils in FY 1993-94 for each district in order to calculate the per-pupil foundation allowance.

The school districts' initial foundation allowances revealed large disparities among them since the initial amounts were calculated using the old funding system that relied on local property taxes. In the early years of *Proposal A*, from FY 1994-1995 to FY 1999-2000, a formula was in place that partially closed this funding gap by providing higher yearly dollar increases to districts whose foundation allowances were below the "basic," or target, foundation allowance. Districts whose initial foundation allowances were above the basic all received the same dollar increase. By FY 1999-2000, one of the primary goals of *Proposal A* was realized; for the first time, all districts either reached or were above what the state defined as the basic foundation allowance. After bringing all districts up to the basic foundation allowance in FY 1999-2000, and until FY 2007-2008, all school districts received the same dollar increase in their foundation allowances,

[‡‡‡] Proposal A amended Title IX (Finance and Taxation) of the Michigan Constitution, Sections 3, 5, and 8.

and therefore the funding gap between the lowest- and highest-spending districts remained constant.[80] However, beginning in FY 2007-2008, state legislators brought back the gap-closing formula by setting a new, higher basic, or target, foundation allowance. For FY 2008-2009, the basic foundation allowance is set at $7,316 and the state maximum is $8,489.[81] The state maximum foundation allowance is the maximum amount the state is willing to pay per-pupil for a school's operating purposes.[82]

Since the amount of money spent by the state is capped each year at the state maximum foundation allowance, districts whose initial foundation allowances exceeded that amount (because they had high state and local revenue before Proposal A was adopted) may ask district voters to approve a "hold-harmless" millage, which ensures the districts receive their full foundation allowances. Again, hold harmless districts are localities which have foundation allowances above the state maximum, and therefore must levy local funds in order to make up for the variation between the state set maximum and the value of their actual foundation allowance.[83] Fewer than 10% of Michigan's school districts are allowed to seek voter approval to authorize a hold harmless millage.[84]

Even though *Proposal A* transferred the majority of responsibility for school funding to the state, local revenue does still play a role in school funding. The state's share of a foundation allowance is first calculated by determining a district's total foundation allowance revenue. The total foundation allowance revenue is calculated by multiplying a district's pupil membership (i.e. the number of students a district educates) by its per-pupil foundation allowance. Then, the state's portion is equal to the school district's total foundation allowance revenue minus the total amount of local revenue collected from the local district's "nonhomestead" property tax.[§§§] What is important to realize, however, is that a district is guaranteed its foundation allowance, up to the state maximum, regardless of changes in property tax base. If a district's local property tax revenue declines, state aid will increase to make up the difference. Conversely, if local property tax revenue increases, state aid will decrease in the same amount.

Funding for Charter Schools

According to Michigan law, Public School Academies are funded according to the same per-pupil foundation allowance as the local school district in which they reside.[85, 86] Public School Academies, Urban High School Academies, and Strict Discipline Academies do not differ in how they are financed by the state; the state School Aid Act provides funding for all PSAs. Until FY 2007-08, a PSA's foundation allowance was calculated as either the foundation allowance for the local school district in which it was located; or the maximum foundation allowance permitted for a PSA, whichever was less.[87] The maximum foundation allowance for a PSA was set at $300 more than the basic foundation allowance for the correlated school year.[88] However, beginning in FY 2007-2008 and working in tandem with the return of the gap-closing formula described earlier, charter schools will be treated identically to local school districts such that they will receive additional "catch-up" funding until such time when the new target (basic) foundation allowance is achieved, or until a time when the formula is not used.

[§§§] The nonhomestead property tax was another reform that originated in *Proposal A*: it was a taxable value levied on second homes and businesses equal to either 18 mills, the lesser of 18 mills, or the number of mills levied by a district in 1993. Then, the millage is multiplied by the nonhomestead taxable value within the district.

Michigan charter schools have the same access to state and federal grants as traditional public schools. While traditional schools can levy nonhomestead taxes (and thus, receive only a portion of their foundation allowance from the state), PSAs have no authority to levy local property taxes. For this reason, local property taxes are not included in the calculation of the state proportion of foundation allowance due to the PSA. As a result, the state funds a PSA's full foundation allowance, but the PSA must use its allowance to pay for both operating and capital costs. In contrast, traditional school districts have the ability to pass levies to help pay for additional capital costs.[89]

At-Risk Funds

In FY 2007-2008, Michigan appropriated an amount not to exceed $319.35 million from the State School Aid fund to be used as "At-Risk Funds."[90] This funding is distributed to all eligible districts and public school academies and is based on the number of "at-risk" pupils defined as meeting at least two of the following requirements:

- Victim of child abuse or neglect
- Below grade level in English language and communications skills or mathematics
- Pregnant or parenting student
- Eligible for free and reduced meals
- Has atypical behavior or attendance patterns
- Family history of school failure, incarceration, or substance abuse

The funding is to be used for "instructional programs and direct non-instructional services, including, but not limited to, medical or counseling services, for at-risk pupils." These services may be provided before and/or after school or by adding extra school days to the school year. Such services may include tutoring or reading programs, and many high schools use this funding to operate adolescent health centers.[****] Districts or PSAs may also use these funds to provide adult education services, such as adult high school completion or GED test preparation. There are also provisions that allow for additional flexibility if a school is meeting AYP in both math and English language arts.

21st Century Schools Fund

For FY 2009, the Governor proposed $32 million for a 21st Century Schools Fund to support districts who had not met been meeting AYP.[91] Under this proposal, large, impersonal high schools with low academic achievement and high dropout rates would use these funds to provide services for improving achievement and reducing the dropout rate or to create smaller high schools emphasizing "strong personal relationships, consistent discipline, and real-world relevance."[92] The Conference Committee ultimately approved $15 million for grants of up to $3

[****] There are currently 45 clinical child and adolescent health centers and 12 non-clinical health delivery sites located in 24 counties throughout the state. The clinical programs, providing on-site primary health care, psychosocial, health promotion and disease prevention education, and referral services, target the uninsured, underinsured, and Medicaid young people age 5 through 21 as well as infants and small children of eligible adolescents. See *http://www.michigan.gov/mdch/0,1607,7-132-2942_4911_4912_44686-95368--,00.html* for further details.

million to districts with less than 70% graduation rates for planning and startup of newly configured or constructed high schools designed to reduce dropout rates. Grantees require a local match of at least as much as the grant, will have increase their graduation rate to at least 80% with 80% of graduates continuing on to postsecondary education, and if they are not successful in meeting these graduation requirements will have to return 50% of the grant funds. Each of these requirements, added by the legislature and not included in the Governor's original proposal, may prove to be significant challenges to some districts in implementing the grant or barriers to having districts with very low graduation rates apply or with fewer community resources to provide the match for the funds.[93]

RECOMMENDATIONS

There are several finance-related areas the National Youth Employment Coalition recommends Michigan consider as it seeks to support the development of education options that serve struggling students and disconnected youth. First, Michigan could work to ensure existing education funds are able to flow to support students in a range of education programs in a variety of settings. In addition, the state could provide new or additional education funds to directly encourage public school districts to expand options for secondary education. Finally, Michigan lawmakers could ensure legislation is flexible enough to allow for various educational approaches. In what follows, we identify specific actions Michigan could take to support the expansion of education options in the state.

I. Allowing education funds to flow to support students in programs both within and outside of traditional public school settings

Easing the Flow of State Education Funds to Options that Work
Encourage the development of more education options and increase resources available for these education pathways by facilitating the flow of state education funds to non-public school education providers.

As in most states, education funds based on a count of pupils in attendance contribute the major source of financial support for alternative education programs in Michigan.[94] While Michigan law does not prohibit state education funds from supporting education programs operated outside of public school districts, the state does not work to facilitate this process of "funds following the student" to non-district-run programs. Public education dollars flowing to programs outside of the traditional public school can be leveraged when community-based organizations bring in other financial support, from foundations and businesses, as well as other public sources. Such leveraging of resources is generally not possible for public schools themselves; so in this way, allowing funds to follow students to youth-serving organizations outside of the public schools can increase resources to support this much-needed programming.

Michigan could consider adopting some successful practices of other states where districts work with established CBOs or community colleges to provide a wider range of education options for their students. School districts in Massachusetts provide funds or in-kind staffing to CBO-run programs and community colleges operating high school completion programs. In Oregon, school districts may contract with qualified community-based organizations for high school completion programs. Portland Public Schools contracts with 17 CBOs which operate some 20 alternative high school programs. The district receives full state funding for each student and contacts with CBOs serving its students for their actual program costs or 80% of the district's per pupil expenditure, whichever is lower. In Indiana, the Fast Track program authorizes postsecondary institutions to tap per pupil funds to support a high school completion program for students ages 19 and older to earn a high school diploma while simultaneously earning credit toward an associate's degree or certificate program.

In seeking to expand options available to struggling students and disconnected youth, Michigan could consider how it might provide incentives to local and intermediate school districts to utilize state school aid to build more partnerships with other youth-serving organizations.

Extending Education Funds to Support High School Completion for Older Youth
Make public education funding available to serve students until they obtain a diploma.

As in all states, in Michigan many students take more than four years to complete high school, and many students drop out of school, some spending time out of school before ultimately returning. For this reason, it is important to provide education funds to serve students at least until they obtain a diploma or reach age 21, if not beyond. Students leave school for many reasons, including needing to work or because they are parents. When they return to school, it is often with a need to complete their high school program part time.

Currently, Michigan's legal dropout age is 16, at which point students can enroll in an adult education high school completion or a GED program. However, state adult education dollars are not able to support those students in such programs until they are at least age 20 (unless they have been permanently expelled from school and do not have an alternative education program in their district of residence). Allowing funding to support students who attend a high school completion or GED preparation program would increase the number of students in Michigan who are able to obtain a high school diploma.

Additionally, Michigan could better facilitate districts receiving funds to support students under 20 who are working toward high school completion, even if they are unable to continue their education full time. Allowing funding to support students in alternative education programs that offer part time or offer flexible scheduling would increase high school graduation rates in the state.

II. Providing Additional Education Funds to Support Existing Education Options Adequately and to Encourage Public School Districts to Expand Options for Secondary Education

Establishing and Funding Statewide Dropout Prevention and Recovery Programs
Expand statewide programs to increase graduation rates, including dropout prevention and dropout recovery programs.

Michigan could support dropout prevention and recovery efforts at the local level by adopting or extending programs and initiatives to increase the number of students completing high school. Some of this work was begun with the Cherry Commission's focus on increasing the proportion of Michigan residents earning a postsecondary credential. The Michigan Shared Youth Vision Partnership is engaged in efforts to map existing dropout prevention and recovery resources, and the 21st Century Schools Fund is working to redesign high schools to provide a more personalized approach to educating Michigan's youth. Michigan should continue to support these efforts and could consider appropriating funds to provide staffing for the Shared Youth

Vision Partnership, as well as fully funding the 21st Century Schools Fund and re-evaluating the requirements for a local match and high graduation and post-secondary enrollment rates to encourage districts with fewer resources or significantly low current graduation rates to apply.

Michigan might consider using improved data on dropouts to provide access to information on recent dropouts so that districts and community-based programs can more efficiently recruit them to recovery programs.

Given the state's interest in increasing postsecondary credential attainment, Michigan may want to consider dual enrollment models like Indiana's Fast Track and School Flex programs, North Carolina's Learn & Earn, and the nationally replicated Gateway to College model.

To coordinate its efforts to reach struggling students and out-of-school youth, the state could consider establishing an office in the Department of Education dedicated to creating multiple pathways to graduation.

Providing Additional Resources to Schools and Programs Serving the Hardest to Serve Students

Consider instituting a weighted student formula in determining funds allocated to education options that truly reflect the increased costs of educating certain groups of students.

Struggling students and former out-of-school youth require additional educational services and supports to succeed in school. For this reason, funding students in alternative education programs at the same per-pupil level as those in traditional education programs is often inadequate. Some other state funding formulas take into account numbers of students who are receiving special education services or are English Language Learners, or even numbers of students from low-income families. Adopting a weighted student formula that acknowledges the extra expense of providing education for students who are over-age and under-credited, formerly adjudicated, teen parents, etc. would assure that adequate resources are available to meet the needs of these perhaps hardest-to-serve populations of young people.

While Michigan does provide additional "31a At-Risk" funds to students in all public schools and PSAs, the state may want to consider policies like Indiana's Alternative Education Program Grants, which provide extra per-pupil funds specifically for alternative education programs run within the public school districts. Under this program, districts receive up to $750 per full-time student enrolled in an alternative education program or school within the district. Districts are required to match at least one-third of these funds. Creating dedicated funding for alternative education options may reverse some Michigan districts' apparent perception that, when balanced with the requirements of AYP, alternative education programs are not worth operating.

Michigan could encourage collaboration between local and intermediate districts, other youth-serving systems, and community-based organizations to identify and blend various sources of funds (e.g., workforce development, human services, public health, and juvenile justice) to support struggling students and disconnected youth. The dropout crisis is not simply a school problem, and schools, alone, cannot be expected to solve it.

III. Ensuring Legislation is Flexible Enough to Allow for a Variety of Educational Approaches

Allowing Flexibility on Key Education Programming Issues

Allow flexibility regarding regulations affecting non-traditional education programs' eligibility for state education funds.

Alternative education programs, by virtue of their size or population they serve, often do not fulfill requirements of traditional education programs, and the state could consider where it might appropriately allow for flexibility in programming for such schools. For example, alternative education options often challenge traditional education expectations about time, and the state could consider ways to allow education programs that serve struggling and returning students the flexibility they need. Such programs may wish to offer flexible scheduling or year-round programming in an effort to meet the needs of their students. While Michigan has been moving toward awarding credit based on competency, the vast majority of schools across the state continue to award credit based on the Carnegie unit, or time spent in the classroom. In response to the many dropouts who report that the school they left moved too quickly or too slowly for them, many successful education options offer students a program through which they can proceed at their own pace, graduating when they have successfully completed requirements and can demonstrate mastery of core subjects. Michigan could consider encouraging schools to provide more options for credit recovery or additional support for educating high school students for 5 or 6 years until they can complete graduation requirements.

Recognizing the Need for a Variety of Education Options for a Varied Student Population

Support the development of a variety of education options for struggling students and out-of-school youth.

Michigan, like other states, needs a varied menu of education options meant to help keep students on-track to graduation. Many districts across the country are recognizing the importance of a multiple options approach and are working to expand options for high school so students have a range of choices of high school programs. Some have even recognized that while such an expanded set of options is crucial for students who are struggling in or have dropped out of traditional high schools, truly all students benefit from the existence of a variety of secondary education options, such as accelerated learning, twilight academies, programs for parenting teens, credit recovery, GED preparation, juvenile justice re-entry, employment preparation, and career and technical education.

One population of students with whom Michigan may want to consider taking a different approach is those who have been permanently expelled.[95] Once permanently expelled, students are considered expelled from all other district schools. The paradox here is for permanently expelled students who are still younger than the age of compulsory education (age 16). Districts "may" enroll these students if they have an appropriate alternative education program available, but the district is not required to serve such students. Moreover, a student may only re-enroll if s/he has successfully petitioned the expelling district for reinstatement, unlikely for a disenfranchised student. Assuming an SDA is able to serve the expelled student, the decision to

attend is left up to students, who rarely if ever choose to attend, or the courts, who may not be involved in the case of every expelled student.

In order to increase positive outcomes for all students in Michigan, the state could consider adopting a philosophy of "a place for every child and youth" like that of Jefferson County Public Schools (JCPS) in Louisville, KY, which has not expelled a student in over 25 years.[96] JCPS offers more than 80 specialized instructional programs designed to ensure that every young person has access to an engaging, flexible education option that will motivate students to stay in school until graduation. Some of these programs include online or computer-assisted courses, correspondence courses, ESL, programs targeted for homeless children and teen parents, migrant education, and programs for youth returning from adjudication. Principals are prohibited from excluding adjudicated youth or students in alternative schools as a method of raising average test scores. Louisville has a multi-agency partnership that works to identify potential dropouts early by supporting school-based career planners to help keep students in school. All 22 JCPS high schools are schools of choice offering students and parents a variety of options to meet each student's needs. Louisville's mayor has encouraged all local youth-serving programs to share data with JCPS, in part by providing city funding to maintain the community-wide data system.

Encouraging Collaboration Beyond the Public Schools
Encourage school districts to collaborate with other youth-serving systems and community-based organizations to meet the needs of struggling students and out-of-school youth.

School districts cannot meet the needs of struggling students and out-of-school youth alone, and collaboration among agencies and systems results in improved outcomes for disconnected youth and increased opportunities for youth-serving systems.[97] The National League of Cities' Institute for Youth, Education, and Families describes the benefits of this cross-system collaboration as being improved experiences and outcomes for disconnected youth, improvements in the ways individual systems and agencies operate, more comprehensive and effective interventions, more efficient use of public resources, and increased information sharing among youth-serving organizations and offices.[98] The communities most successful at providing a wide-range of education options for their students have worked hard to encourage collaboration between their school districts and other public and community-based organizations. Michigan may want to consider, in particular, how districts in Portland, Oregon; Philadelphia, Pennsylvania; and New York, New York, have partnered with CBOs and other youth-serving systems to offer a variety of education programs designed with this struggling student and out-of-school youth population in mind.

The state should consider the possibility of state-wide initiatives to increase local level collaboration. The Pathways to Success by 21 initiative was jointly developed by the Massachusetts Departments of Workforce Development, Education, and Health and Human Services and seeks to align youth services throughout the state, particularly for those young people deemed most "at risk." The state actively encourages local collaborations by offering grants for cross-system partnerships at the local level to create plans for coordinated youth services. Massachusetts is currently considering legislation that would further increase collaboration and coordination to lower dropout rates and increase re-enrollment of dropouts in an attempt to drastically increase high school graduation rates in the state. Michigan has made

some inroads in establishing cross-system collaboration through DHS' automatic referrals of foster youth to MWAs, which can improve outcomes for those youth. Similar collaborations could be established or expanded between these agencies and the MDE and Department of Community Health's Child and Adolescent Health Center Programs to provide more comprehensive and coordinated support for youth.

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